



Specialty Crop Block Grant Program – Farm Bill Spring 2009 Implementation (Pre-Award) Webinar Series Questions and Answers

ELIGIBLE CROPS

Q – Are organic specialty crops still eligible?

A – Organic specialty crops are still eligible. A list of eligible and ineligible crops is listed at <http://www.ams.usda.gov/scbgp>, click on the Definition of Specialty Crops link in the right column.

Q – What does "solely" mean?

A – To “solely” enhance the competitiveness of specialty crops means that funds must only be used to enhance the competitiveness of eligible specialty crops. In the event that a project benefits other ineligible commodities, the State is required, in their application, to describe how they will ensure that funding is being used to “only” enhance the competitiveness of specialty crops. The description may include the estimated percentage of the project that specifically benefits specialty crops as well as how project staff will use matching funds for the portion that does not. The State must maintain adequate documentation to show that the SCBGP-FB funding only enhances eligible specialty crop.

APPLICATION – CONTENTS, FORMAT & BUDGET

Q – Clarify the format requested for the application. Are all sections to be listed together or by project?

A – Each project should be outlined together. For example, Project 1 should include a section for project title and abstract, project purpose, potential impact, expected measurable outcomes, work plan, etc. and then project two should include a section for project title and abstract, project purpose, potential impact, etc. Please see the guidance document “2009 Grant Procedures” located on the USDA website at www.ams.usda.gov/scbgp. Click on the link “[Appendix C – State Plan Format \(PDF\)](#)” of the 2009 Eligibility, Application Requirements, and Grant Management Procedures (PDF)”.

Q – Is the base grant 160K or 161K?

A – Each state will receive an approximate base grant of \$160,000 which is 1/3 of 1 percent of \$49 million, the total amount available in fiscal year 2009. USDA/Agricultural Marketing Service (AMS) will allocate the remainder of the funds based on the latest available [USDA/National Agricultural Statistics Service \(NASS\)](#) state specialty crop cash receipt data. AMS will notify all State Departments of Agriculture the exact base grant amount and their exact grant allocation prior to the application deadline.

Q – Does each project need a separate budget narrative?

A – Yes, one separate budget narrative for each project. See the “2009 Grant Procedures”, [Appendix D – Budget Narrative Format \(PDF\)](#) at www.ams.usda.gov/scbgp.

Q – When is the deadline for the next application?

A – Currently, the FY 2009 SCBGP-FB deadline is expected to be during the last week in August 2009. Under the Farm Bill program, the funds must be obligated before September 30th. All State Departments of Agriculture were previously provided information to estimate future grant allocations, so they should have enough information now to begin the outreach and competitive process in their state.

Q – As it pertains to final performance reports, if a State gives out competitive grants, will the final reports of each sub-recipient be included and posted on the SCBGP-FB web site? Or, will only the state’s final report (including the specific Activities/Problems/Future Project Plans, etc from each sub-recipient)?

A – All projects, regardless of whether they are State marketing projects or sub-grantee projects, must be reported on in the annual and final performance reports. The final performance reports from the state, which includes information from each sub-recipient, will be published on the USDA/AMS Specialty Crop Block Grant Program website.

Q – If the State Department of Agriculture takes 10% as indirect costs, can each of the sub-grantees also take up to 10% as indirect costs? That will add up to more the 10% over all. Are the sub-grantees then allowed to claim indirect costs? If so, are they also limited to the 10%?

A – Under the Specialty Crop Block Grant Program – Farm Bill, indirect costs cannot exceed 10% of the State's total grant allocation. Therefore, if a State takes the full 10%, the sub-grantees will not be allowed to charge indirect costs to their projects.

A – Subgrantees can charge up to 10% of their project's budget as indirect costs. The total amount of indirect costs charged to the grant cannot be more than 10% of the State's total grant allocation.

Q – Is cooling equipment, used by farmers to cool their produce after it is harvested, an allowable “special purpose equipment” expenditure?

A – Yes, as long as the special purpose equipment is used solely to enhance the competitiveness of eligible specialty crops and benefits a group of people. Procurement and property management regulations outlined under 7 CFR Part 3015 must be followed when purchasing and managing equipment.

Q –Are the costs for activities that our department spends that are completed prior to the submission of the grant to USDA reimbursable from the grant after it is received? If so, are these costs direct or indirect costs?

A - The costs of outreach, peer review, application preparation, etc. can be pre-award direct costs since they are part of the grant project. These costs should be taken off the top of the State's total grant allocation and must be included in your budget and broken out by cost category. These costs must be reasonable. A cost is considered reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Since they are direct costs, proper documentation must be kept to support these costs.

Q –Can the costs of monitoring and administrating the grant, whether done by the State Department of Agriculture or by a contract with someone else be eligible as a direct cost for the project. If so, how do you allocate that – take it off the top or put a certain amount in each of the projects submitted?

A- Hiring staff or contractors to handle the required grant monitoring can be a direct cost. These costs should be allocated off the top of the State's total grant allocation rather than to each sub-grantee since it is part of the overall grant and must be included in your budget and broken out by cost category. These costs must be reasonable. A cost is considered reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Since they are direct costs, proper documentation must be kept to support these costs.

ELIGIBLE PROJECTS

Q – The list of eligible grant projects under the SCBGP-FB at the bottom of pg. 3 of the 2009 Grants Procedure document is different than the list published previously under Sec. 1291.2 (c) of the SCBGP final rule. Does this mean that marketing projects are not eligible?

A – Marketing projects are eligible; however, it is important to remember that projects must solely enhance the competitiveness of specialty crops. For example, if the purpose of a project is to conduct a State “buy local” program or a State farmers market promotion program, you must describe how the State will ensure that funding is being used to only enhance the competitiveness of eligible specialty crops. Funds cannot be used to market other commodities.

Q – Under the Project Purpose section, example #4 - regarding the "buy local" example - if the State put in matching dollars, or a portion of matching dollars to cover ineligible commodities, would that be allowable? Is it allowable to use state match funds to cover the cost for non-eligible products that may benefit from activities carried out for promotion of eligible products?

A – Yes, the State may use matching dollars to cover ineligible commodities. The State is required to explain how the grant funds will be used to solely enhance the competitiveness of eligible specialty crops in their application under the Project Purpose section.

Q – Is there a percentage of the “Specialty Crop” funds that can be used by the state for statewide marketing to benefit eligible specialty crops?

A – No, there is no required percentage, however the State Department of Agriculture may submit “statewide” marketing projects that meet specialty crop stakeholders priority needs. We do encourage the State to submit the project proposal through their peer review panel for comments; this will only strengthen the marketing project proposal.

Q – If grant funds will not be awarded for projects that solely benefit a particular commercial product, or provide a profit to a single organization, institution, or individual, then we can’t submit grants for one commodity, i.e. tomatoes. So, what kinds of grants will be submitted?

A – You are able to submit grants for one commodity as long as the project will benefit more than one individual or one farm. For example, you may do a project to market tomatoes; however, the project must show how marketing will increase the competitiveness of tomatoes to the community, and/or other farmers in the state. (See examples on pg. 4 of the 2009 Grant Procedures documents at www.ams.usda.gov/scbgp).

Q – Can state Departments of Agriculture apply for the Farmers Market Promotion Program (another USDA grant program)?

A – No. Eligible entities under the Farmers Market Promotion Program are: agricultural cooperatives, producer networks, producer associations, local governments, nonprofit corporations, public benefit corporations, economic development corporations, regional farmers’ market authorities and Tribal governments.

Q – Will the SCBGP-FB no longer fund farmers’ markets’ projects, if the farmers market has vendors other than specialty crop producers?

A – Farmers’ market projects are eligible as long as the funds are used to solely enhance the competitiveness of specialty crops.

Q – If we develop an advertising program that only promotes fruits and vegetables at a particular farmer's market, is that acceptable? So, signage might say: "buy more fruits and veggies at Old Cheney Farmer's Market, Thursdays, 6-8 p.m." The signage would only promote fruits and veggies, even though they may sell crafts, meats and other products at the market.

A – Yes, this is an acceptable justification for solely enhancing the competitiveness of specialty crops.

Q – Can SCBGP-FB funds be used to purchase EBT machines for farmers markets?

A – Yes, as long as the funds solely enhance the competitiveness of eligible specialty crops.

Q – Can funds be used for a general “buy local” program for all agricultural products?

A – No. Grant funds can only be used for “buy local” programs that solely enhance the competitiveness of eligible fruits, vegetables, dried fruit, tree nuts, horticulture, nursery crops (including floriculture).

OUTREACH

Q – How does a State Department of Agriculture conduct outreach to socially disadvantaged and beginning farmers if the State cannot grant to an individual company or organization?

A – A State can grant to individuals as long as the projects benefit others. (See examples on pg. 4 of the 2009 Grant Procedures documents at www.ams.usda.gov/scbgp). Also, AMS will provide a list of outreach resources that will contain persons, organizations, universities, and other U.S. Department of Agriculture agencies, etc. so that each State Department of Agriculture can contact them for outreach involvement and assistance with each State outreach plan.

Q – When identifying priority needs of the specialty crop industry, can those be different priorities than the ones identified by AMS on page 3 of the “Procedures Document”?

A – Yes, these are project recommendations based on issues affecting the specialty crop industry.

COMPETITIVE PROCESS & CONFLICT OF INTEREST

Q – If a State Department of Agriculture has one project amongst many; does this mean that no one in the ‘Department’ can serve on the evaluation committee because of a conflict of interest? Does this mean that outsiders are deciding what projects will be funded? Furthermore, how do we have a panel without appearances of conflicts of interest?

A – A Department person can serve on the evaluation committee; however they can only review proposals of which they will not be working with directly. Also, be creative with the review process. Encourage other commodity groups other than specialty crop growers to participate. For example, invite an individual from the Livestock Association to be involved as a reviewer. It would also be helpful for panelists to sign a conflict of interest form/document to show no conflict.

Q – Is the competitive process necessary? How do we avoid conflict of interest if the decision makers from the State Department of Agriculture are specialty crop (SC) experts? They are the ones that are knowledgeable of the state needs. How do you not allow them on the review panel and still be fair to the awardees?

A – A competitive process is not required; however, it is highly encouraged. If the State Department of Agriculture chooses not to establish and maintain a competitive process, it must provide ample justification for the noncompetitive program structure in the application.

- A – A competitive process enables a panel of specialty crop experts from all sectors (public, private, and nonprofit) to recommend proposals that show potential to grow and enhance the specialty crop industry. It is a best practice that the peer panel is representative of the State’s specialty crop industry.
- A – Just because a reviewer may have a conflict of interest for one proposal does not mean that they cannot participate in the entire panel review. If they maintain a conflict of interest with a specific proposal, they may be excused from the discussion, ranking, and reviews of that particular proposal in order to maintain a free and equitable competition. These rules should not only apply to panelists, but also program staff. In order to prevent conflicts of interest on a peer review panel, the State may:
- Select panelists that have not served as advisors/advisees of the applicant;
 - Select panelists that have not collaborated with the applicant over a designated amount of time;
 - Select panelists that are not currently affiliated with, previously employed by, or are being considered for employment at the institution(s) of the applicant(s);
 - Select panelists that have not (in recent years) participated in a consulting/financial arrangement with the applicant; and
 - Ensure that the panelists do not hold a personal/familial relationship with the applicant(s).

Q – Does the "peer" review panel requirement mean that Departments are expected to include industry experts/representatives from outside the Department?

- A – It is not a requirement for the State Departments of Agriculture to recruit peer panelists from outside the Department; however, it is encouraged as a “best practice” in order to maintain a fair and equitable competition among the submitted proposals.

Q – If State Departments of Agriculture are using the SCBGP-FB funds for conducting marketing activities that qualify, does that proposal need to be included in the competitive review process? If not, does it need to be accompanied by a statement of why it was not?

- A – In the event that the State Department of Agriculture decides to allocate funds to qualifying state marketing activities, the project does not need to be included in the competition. However, the State will need to provide ample justification in the State Plan.
- A – It is recommended that all projects, including State projects, are evaluated in the peer review panel. This process may help streamline and rationalize projects, which should enhance the quality of the projects provided in the State Plan.

OTHER

Q – Will a copy of the SCBGP-FB Implementation “PowerPoint presentation” and other reference documents be available on the website?

- A – Yes, a copy of the “Specialty Crop Block Grant Program – Farm Bill 2009 Implementation PowerPoint” presentation is posted on the USDA website (www.ams.usda.gov/scbgrp). Also, the most up to date copy of the guidance document is available at the same location, click on the links below the “2009 Grant Procedures” near the bottom of the page.

Q – Will there be another webinar to discuss post-award requirements? When?

- A – Yes, May 2009 or soon after. AMS SCBGP staff will inform you of the exact date and time.

Q – Are gardeners eligible sub-grantees as well as farmers, is that okay?

- A – Yes. As long as the sub-grantee is capable of managing federal funds, is not disbarred from receiving federal funds, and their project proposal enhances the competitiveness of eligible specialty crops, they

are eligible.

Q – What do we need to do if a sub-grantee no longer wants to do the program they submitted for in a grant to enhance specialty crops. Can we move the funds budgeted for that project to another project?

A – You must contact SCBGP-FB staff and submit a written justification for the change along with the revised scope or objectives of the award to the Federal Agency and signature of the Project Coordinator for the State Agency and the Federal Agency. If requesting to add a new project, submit a written justification for the change along with a project proposal to include the project title, purpose, potential impact, expected measurable outcomes, work plan, budget narrative, project oversight, and project commitment. For post-award requirements, please see the Awards Terms and Conditions at www.ams.usda.gov/scbgp.

Q – Do sub-recipients have to be legal US residents?

A – According to the appropriations law the State can award grant money to a noncitizen.